

# California MEDICAL ASSOCIATION

## NOTICES & REPORTS

### **The Practice of Medicine Under the Workmen's Compensation Act**

AN HISTORICAL REVIEW of the entire problem of medical care rendered under the Workmen's Compensation laws of California is presented primarily to inform the medical profession of the position in which it has been placed during the past 25 years.

Before the days of compulsory workmen's compensation insurance, industrial accident cases were frequently charity cases because workers were poorly paid, their earnings stopped when they were injured and their savings were rapidly depleted. Following adoption of compulsory industrial accident insurance by the State Legislature, the problem of administering medical care to the industrial worker fell into the hands of insurance companies. The original fee schedule set up at that time was established on the basis that medical care was being rendered to relatively indigent people and that, therefore, the basic fee paid for that medical service should be scaled down accordingly.

The California Industrial Accident fee schedule prepared by "The Committee of the Council of the Medical Society of the State of California," some 34 years ago, carried the following statement on its first page: "The schedule here presented is designed for use in connection with medical services rendered an individual with an average earning capacity of \$1250.00 per annum. To this class belongs the average individual which the workmen's compensation insurance and safety act is intended to cure and relieve." In bold-faced type, preceding the paragraph just quoted, the following note appeared: "*These fees represent a minimum! Fees higher than schedule will be allowed when warranted by unusual difficulties or requiring an unusual amount of time.*"

Since the original fee schedule preparation, the total economic pattern of living among employees of industry has changed radically. By no stretch of the imagination can a working man in this day and

age be termed indigent. In actual fact, industry itself is responsible for the care of the working man under the State Compensation Insurance laws of the State of California. The worker has absolutely nothing to do with any payment for any medical service rendered under those laws. As the years have gone by, the scope and intent of the workmen's compensation law has been expanded to include a great deal more than actual medical services designed to care for or render medical care to an injured workman. Medical diseases aggravated by work in industry account today for a much larger portion of the medical care rendered under these laws than they did 25 years ago. Heart disease, tuberculosis, and pneumoconiosis are but three of the common medical problems that are frequently considered to be covered by workmen's compensation in the present day.

The medical profession over this period of years has been utilized by the insurance carriers and the Industrial Accident Commission to do a great deal more than render medical care alone. As the years went by, the idea was fostered that if a workman was injured and had a permanent disability as the result of that injury, then that workman was entitled to compensation in terms of dollars for the degree of disability. The medical profession was utilized to describe and evaluate the permanent disability in individual cases. By the very nature of the problem in any given individual case, there is bound to be and always will be a wide divergence of opinion in expressing the degree of permanent disability that may exist. In order to protect the individual working man the Industrial Accident Commission, through its system of referees, has set up a quasi-judicial body which acts more or less in the manner of a civil court. For years, the insurance carriers were represented by lawyers to present their side of the problem to the referee before the Industrial Accident Commission. In more recent years, a group of plaintiff attorneys has been developed to present

the workman's side before the Industrial Accident Commission. Again the services of doctors have been demanded and received in presenting these two basically conflicting opinions to the Industrial Accident Commission.

The actual cost, therefore, of rendering medical care or surgical care to an injured or diseased workman is and must be greater when it is rendered under workmen's compensation laws than it would be if that same care were furnished to a patient as an individual without the legal implications referred to.

Over a period of years there have been certain revisions in the industrial fee schedule and there has been an expansion of the schedule in its size. Up until 1946, any and all revisions of the fee schedule were made after formal hearings before the Industrial Accident Commission and by action of the Industrial Accident Commission itself. As these revisions were made, however, the original basic premise that the medical care was being furnished to an indigent group of people has never changed despite the expansion of workmen's compensation coverage and the changes in the economic pattern of living throughout the United States and more particularly in the State of California.

In 1946, the Industrial Accident Commission was prepared to make an upward revision of the fee schedule to compensate for an increase in the cost of living index up until that point. A major rift developed between the medical profession, the insurance carriers and the Industrial Accident Commission at that time, not because of any divergence of opinion regarding the need for an increase in medical fees, but simply because some segments of the medical profession felt at that time that a basic revision in the terminology of the schedule and expansion of the schedule to cover the many divergent and varied procedures that have become industrial in nature should be made. These changes were made necessary by virtue of the expansion of the complexity and completeness of coverage that the present day interpretation of workman's compensation law demands.

Unfortunately, in open hearing, a considerable amount of disagreement developed not only between members of the Commission but also members of the insurance carriers and individual segments of the California Medical Association. It was finally decided by the Industrial Accident Commission itself that from a technical legal viewpoint it had no power to adjudicate any dispute of this sort. The result of this decision was a state of chaos.

The California Medical Association was left in an extremely difficult situation in which its only recourse as a group was to refer the problem to the individual members of the association to try to force

some sort of agreement with respect to a fee schedule between the various insurance carriers and the individual members with the Industrial Accident Commission as an entity in an awkward position where the commission assumed no responsibility for adjudication of a fee schedule and yet was required to decide upon the propriety of any individual fee that might have been charged for the care in an individual case. This period was extremely trying to the Industrial Accident Commission, but actually almost as trying to the individual members of the medical profession who were taking care of workmen compensation problems during the interval. Each individual physician was required to present his individual problem and the referee of the Commission had to hear all of them. The insurance carriers, on the other hand, were represented by legal counsel to handle cases in volume.

Finally, after a great deal of recrimination, the adjusted fee schedule was agreed upon late in 1949, submitted to the Industrial Accident Commission, and approved; and that schedule has been in effect since February 8, 1950.

One of the prime agreements of that schedule was to the effect that the schedule should be revised, to mutual advantage of the parties concerned, the insurance carriers and the medical profession, at least every two years.

An industrial fee schedule committee was appointed by the California Medical Association in May, 1950, to meet with the insurance carriers. This the committee has done from time to time during the past two and one-half years. There is still no agreement between the two groups.

The medical profession has met its obligation honestly and fairly. The committee appointed by the medical association contains representatives from each of the individual specialty groups, from each of the geographical areas of the state and an adequate representation of the preponderant general practitioner group.

In an effort to build up a better relationship with the insurance group, the first year of negotiation with the insurance group was spent in listening to the criticism directed toward the medical profession by the insurance carriers, trying to adjust those criticisms and, if possible, eliminate them. During that first year a great deal of time was spent attempting to standardize the various reports demanded by the workmen's compensation laws and to simplify the problem for the doctor and to standardize the information needed by the insurance people to process each individual claim.

The original medical report was accepted as standard; the supplemental report was standardized; a

weekly compensation order card was formulated and the final report bill was standardized. The actual preparation and publication of these various forms was done by the insurance negotiating committee and its individual members. When these forms were finally presented to the industrial fee schedule committee, members of the medical association were of the distinct impression that a major step forward had been accomplished and that these forms would be universally adopted and furnished by the insurance people when the stock of old forms then on hand was depleted.

It was on this assumption that the California Medical Association disseminated samples of these forms to all members of the California Medical Association, informing them that this forward step was an accomplished fact. The schedule committee of the California Medical Association was quite pleased that it had taken a part in simplifying the problem of rendering reports to insurance carriers regarding individual cases. They felt that one of the major problems for the insurance carriers and one of the major sources of irritation to the individual physician had been eliminated.

To date, so far as the fee schedule committee is aware, none of these forms has been made available by any insurance carrier and although the California Medical Association fee schedule committee sent what it believed to be correct information to each of the individual doctors of the state, the committee now finds that the insurance industry would be very happy to receive these forms if the individual physician would purchase them for his own use.

During the two and one-half years of negotiation with representatives of the insurance carriers, there has been an abundant amount of criticism directed toward the medical profession. There have been charges of misuse of the schedule, mainly in the form of excess charges. Some of these complaints were justified, but even the insurance carriers would admit that at least 95 per cent of the doctors were honest and upright and, in actual fact, that only a small portion of the profession was responsible for the abuses which exist. During the past two and one-half years, the California Medical Association has tried its best to cooperate completely with the insurance carriers in eliminating this problem and has shown quite good faith toward the insurance people in responding to their criticism along this line.

At no time during the two and one-half years has there been any direct negotiation between the representatives of the insurance industry and the doctors with regard to the formulation of a specific revision of a fee schedule. Finally, therefore, the fee sched-

ule committee of the California Medical Association set about to formulate a realistic schedule of its own. An early basic decision was made to engage the services of an economic consultant to study the broad problem of a fee schedule and to make recommendations to the committee based entirely on a purely economic survey to use as a basis for estimation of what the individual fees should be in that proposed schedule. A fund was allocated by the Council of the California Medical Association to the fee schedule committee. With those funds, the schedule committee engaged the services of Mr. Stuart Walsh of San Francisco, Director of the Industrial Survey Associates of San Francisco, and he has remained to present date the economic advisor of the fee schedule committee.

Based on his recommendations and, after a very extended consultation with all elements of the California Medical Association, a fee schedule was actually formulated. Copies of this schedule were sent to each county medical society in the state. In addition, copies of the schedule were sent to each of the various specialty groups and their respective societies throughout the state for study and approval. When all of the replies were received from these various segments of the California Medical Association, the final adjustment of the schedule was made and it was approved by the Council of the California Medical Association in May, 1952. Your fee schedule committee believes that the fee schedule produced is realistic and fair to all members of the medical profession and that it is economically sound and fair to the insurance profession.

It might be well at this point to emphasize that the problem we are discussing at this time relates entirely and solely to fees paid to doctors for rendering care to injured and diseased workmen under the workmen's compensation law. Doctors are the first to realize that there has been a tremendous increase in cost of hospitalization; that drugs and supplies have increased in cost during the past ten years and that many other factors exist to increase the cost of medical care in the overall sense. It is unfair, however, to accuse the doctors of being responsible for the increase in medical costs which have developed. Increase in medical costs has been brought about by increasing economic pressure and not by arbitrary increase in medical fees. The two things are totally divergent and completely separate one from the other.

*The fee schedule committee did not believe that it was any longer proper for the medical profession to continue to subsidize the various insurance car-*

riers writing workmen's compensation in the State of California indefinitely. These companies have asked for and received proper premium increase to cover increases in acquisition and operating costs during the past 25 years, and the medical profession has not been served in a similar fashion.

This picture is adequately and complete demonstrated in the accompanying chart.

The only increase in medical fees during the post-war period has been a 12.5 per cent increase upon the adoption of the revised fee schedule in February, 1950. The proposed new schedule prepared by the medical profession will have the effect of increasing gross payments to doctors by approximately 36 per cent. This figure is a gross figure, however. The cost to the doctor of operating his practice has increased rapidly also, so that in effect, the net increase to a doctor's income from this source would be only approximately 20 per cent before income taxes are paid. The approximate rate increase necessary to meet this increased schedule would be small—not more than 8.125 per cent.

It is interesting to apply these figures to an individual practitioner doing general practice. If 25 per cent of his practice is devoted to industrial cases, assuming a net income of ten thousand dollars, then seventy-five hundred dollars would be derived from general practice and twenty-five hundred dollars from industrial practice. Add six hundred and twenty-five dollars from a 20 per cent increase in medical fees and the new net income would be ten thousand, six hundred twenty-five dollars. The actual net increase to that practitioner would be 6.25 per cent. Let us assume that the average doctor who devotes 20 to 25 per cent of his practice to industrial cases would, therefore, under the new schedule, receive an increase of between four and six per cent in his net income. This is not unreasonable considering the general increase in the cost of living in the state.

There are some essential facts that must be taken into consideration from an overall economic viewpoint to substantiate and justify a request for total revision of thinking in the composition and structure of a fee schedule to cover medical care under the workmen's compensation law.

From March, 1946, to March, 1950, the nationwide increase in the cost of living, according to the consumer price index, was 14.2 per cent. In the same period the rise in average weekly earnings of industrial workers in the State of California, according to the division of labor statistics, was 20.6 per cent. From February, 1950, to March, 1951, according to the consumer price index, the cost of living showed a further increase over the 1946 fig-

ure of 27.5 per cent while the average weekly earnings of California industrial workers showed a further increase of 21.4 per cent. As of June, 1952, the average of weekly earnings was \$76.43, a record.

Considering the total period from 1946 to present date, the consumer price index and average earnings of industrial workers have both increased well over 40 per cent while medical fee schedules, according to the California Inspection Rating Bureau, have increased only 12.5 per cent. It thus appears that the fee schedule published in February, 1950, does not represent an increase equivalent to the increase in comparable factors which should be taken into consideration.

Some further essential facts are pertinent;

#### Per Capita Income—1951\*

California .....	\$1,933
United States average.....	1,647
17.6% higher in California	

\* U. S. Department of Commerce.

#### Physicians' Income (arithmetic average)†

	Gross	Net	Per Cent Net to Gross
United States.....	\$19,710	\$11,744	59.6
California .....	25,781	14,353	55.6

† U. S. Department of Commerce (Survey 1949).

#### Cost of Living Index (all items)

January 1941 .....	100.8
January 1945 .....	127.1
January 1946 .....	129.9
January 1947 .....	153.3
January 1948 .....	168.8
January 1949 .....	170.9
January 1950 .....	166.9
January 1951 .....	181.6
January 1952 .....	190.2
June 1952 .....	191.1
July 1952 .....	192.4

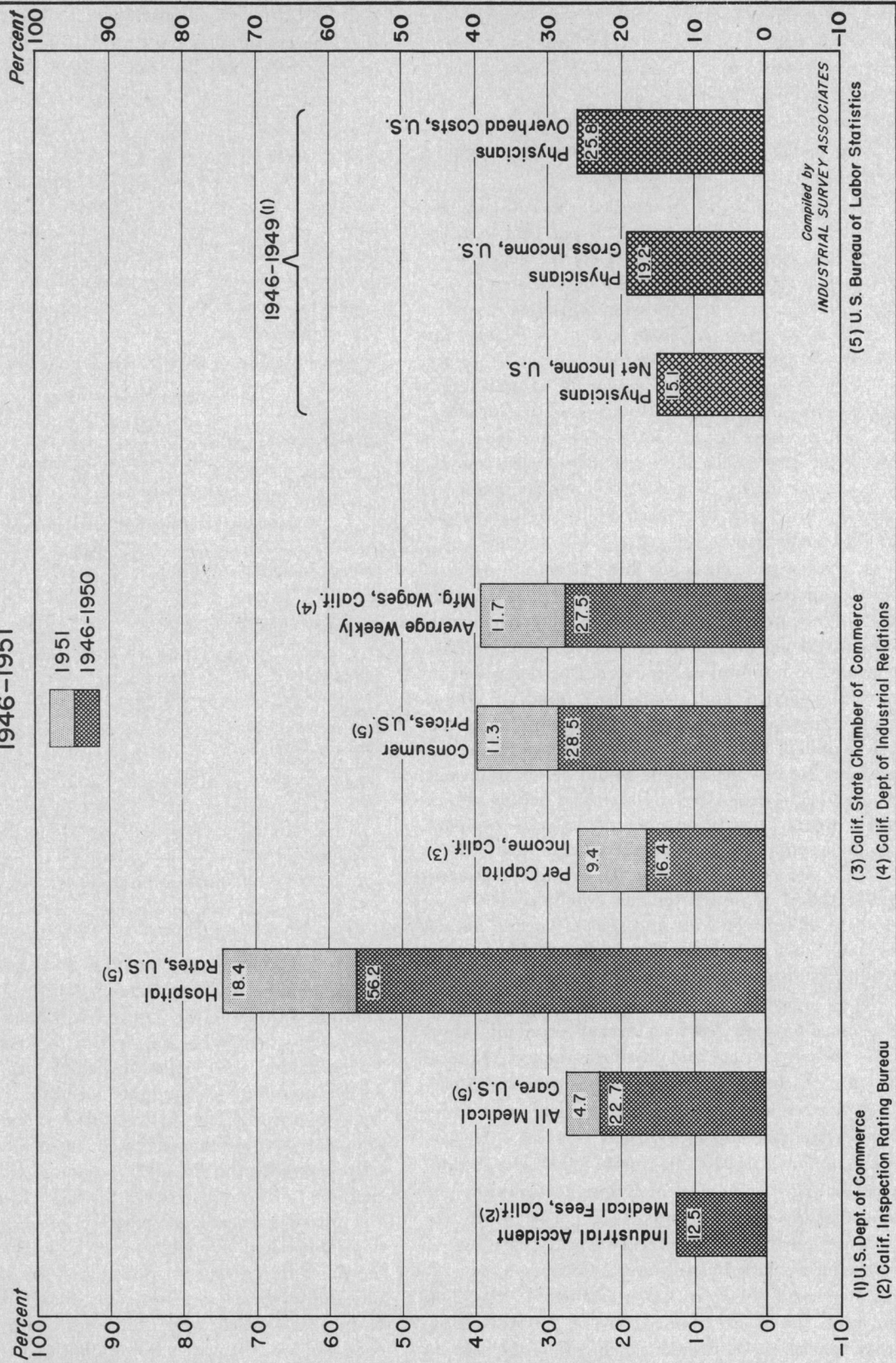
#### Proposed Fee Schedule

Gross increase to doctors.....	36%
Net increase to doctors.....	20%

The position of the medical profession in this whole picture is a peculiar one. Since 1914 it has continued to serve the injured workmen under the workmen's compensation laws in the State of California under a fee schedule which has been controlled continuously since its inception by periodic revision through the Industrial Accident Commission. Revision of that original fee schedule did not keep pace with the changing economic picture in the State of California. In 1949 the Industrial Accident Commission reversed its position and denied that it any longer had any right to set or adopt a medical fee schedule. Since the adoption of the 1950 schedule, the medical profession has found it necessary to negotiate solely and exclusively with the insurance carriers through a committee of five members appointed by the 117 individual companies writ-

# ECONOMIC INDICATORS AND MEDICAL COSTS

Percent Increase over 1946  
1946-1951



(1) U.S. Dept. of Commerce  
(2) Calif. Inspection Rating Bureau  
(3) Calif. State Chamber of Commerce  
(4) Calif. Dept. of Industrial Relations  
(5) U.S. Bureau of Labor Statistics

ing insurance of this type in the State of California. These five insurance representatives are a negotiating team without authority to make any decisions on their own, and any decision they reach must be referred back to a larger overall committee of the insurance carriers for final decision.

The insurance companies' attitude for many years was to the effect that no increase in medical fees of any appreciable amount could be granted because of the fact that they had to show a loss experience ratio for a period of three years before any revision in their premium rate could be made to accommodate for the losses that had been incurred during that three-year period. This might have been a legitimate complaint in the past, but it no longer exists because recent legislative action on the part of the State of California has changed the laws to allow the insurance commissioner to grant an increase in rate of premium where proper cause can be established and shown. The insurance companies writing workmen's compensation were recently granted a substantial increase in their premium rate as late as July, 1952. They have been faced with increasing costs and have been granted a rate increase to accommodate for that loss. They asked for an increase of 10.6 per cent, and the increase granted was, so far as can be determined, 8.1 per cent.

In order for the proposed fee schedule prepared by the medical profession to become an accomplished fact in the present situation, it must be, first of all, accepted completely by the insurance carriers. Secondly the schedule, with the approval of the medical profession and the insurance carriers, must then be presented to the Industrial Accident Commission for its review and approval. If it is then approved by the Industrial Accident Commission, the entire schedule must then be turned back to the insurance industry for review by the California Inspection Rating Bureau which would recommend the exact rate in premium increase necessary to accommodate for the increased cost of the new schedule.

In this total picture, the medical profession continues to be attacked from many sides, mainly on the grounds that it is responsible for the entire increase in the medical services cost.

It might be wise to consider what the medical service cost actually is. It may be arbitrarily divided as follows: 1. Actual medical services rendered. 2. Drugs and supplies. 3. Hospital costs. 4. Rehabilitation services. 5. Permanent disability cost.

The only one phase of this picture in which the medical profession is concerned at the moment is the cost of medical services rendered. The remaining factors are not directly and solely a problem of the medical profession, although they are matters of

interest to physicians because they concern the welfare of the patient as an individual and the good of society in general.

The medical profession feels that the working man is entitled to choose his own physician and although the large industrial clinics serve a good purpose in many instances, we do not believe that they can, now or in the future, replace the services of the individual doctor in caring for the individual patient.

The medical association turned over the new proposed fee schedule prepared by its committee to the insurance carriers in April, 1952. On August 20, 1952, the insurance carriers made their first definitive proposal. Their suggestion at that time was that the new schedule should be discarded completely. It was their suggestion that we should return to the old 1950 schedule as a basis, keep it in its entirety and increase it by a surcharge of 10 per cent over all on each item. They further made the provision that the suggested 10 per cent increase would not become effective until such time as the application of the premium rate increase became effective following review by the Insurance Commissioner of the State of California. They made the further provision that pay for care for a patient who was under treatment before the 10 per cent increase went into effect was to be continued at the old rate for one year. At the expiration of one year, any case under treatment would then be paid for on the new basis.

What can the doctors do about this problem in the State of California? They must, first of all, continue to serve the ill or injured workman because, after all, that is the very reason for being of each individual doctor practicing medicine in the State of California. If doctors took a unified stand and continued to support the final decision of the medical association, no problem would exist at all. It seems odd that the medical profession continues to permit a group whose chief interest, certainly, is not that of adequate payments to physicians to establish the fees under which medical services shall be rendered.

The time is rapidly approaching when some extremely vital and final decisions on the part of the medical profession in general must be made. This review of our difficult position regarding the industrial fee schedule is presented to each member of the medical profession so that he as an individual may understand the basic problems involved and in the hope that he will comprehend the implications which exist regarding his future and the future of his colleagues practicing medicine and surgery not only in the field of workmen's compensation, but also in the much broader field of health and accident insurance which is developing so rapidly in the present

economy of the United States and particularly in the State of California. We believe that doctors, no less than architects, cabinet makers and carpenters, are worthy of their individual hire. By his very nature, a doctor must continue to remain an individual thinking person who in the course of his training and thinking during a lifetime must make his own decisions and perform definitively upon these decisions. In the present problem, however, it might be well for individual doctors to deviate from habit a bit and act collectively.

#### CONCLUSIONS

It would seem from the information in the preceding paragraphs that it has not proven feasible or practical for the medical profession to rely entirely on direct negotiations with the insurance industry. The pattern of failure has existed for 34 years and longer and will continue until such time as the medical profession is placed in a better bargaining position.

The dilemma exists as to just how this change is to be accomplished. There are two suggestions:

1. That legislation be proposed which will allow the medical profession to take an active part in establishing, enforcing and as need arises adjusting a schedule of medical fees under which medicine shall practice in the field of industrial injuries.

2. To publish the existing schedule as is, issue it to the doctors of the state with the recommendation that they place it into effect after a reasonable time interval. This latter move is perhaps difficult but it would be fair in the sense that it would allow the insurance industry time to make any adjustments in premium rate that would be necessary to pay for the increased cost.

FRANCIS J. COX, M.D.

*Chairman, Committee on Industrial Accident  
Commission of the California Medical Association*

#### REFERENCES

1. Income of Physicians, William Weinfeld, Survey of Current Business, United States Department of Commerce.
2. Indicated Increase in Medical Costs Due to Increase in Fee Schedule, Exhibit J, California Inspection Rating Bureau, August 18, 1950.
3. Income Payments to Individuals in California, National Income Division, Office of Business Economics, U. S. Department of Commerce. Per capita estimates for California calculated by the California State Chamber of Commerce.
4. Average Weekly Earnings, Manufacturing Production Workers—1939-1951, California Department of Industrial Relations, Division of Labor Statistics and Research.
5. Consumers' Price Index for Moderate Income Families in the United States, U. S. Department of Labor, Bureau of Labor Statistics.

## Executive Committee Minutes

*Tentative Draft: Minutes of the 234th Meeting of the Executive Committee, Los Angeles, October 19, 1952.*

The meeting was called to order by Chairman Lum in Conference Room No. 6 of the Biltmore Hotel, Los Angeles, at 10:00 a.m., Sunday, October 19, 1952.

#### Roll Call:

Present were President Alesen, President-elect Green, Speaker Charnock, Auditing Committee Chairman Lum, Secretary Daniels and Editor Wilbur. Absent for cause, Council Chairman Shipman. A quorum present and acting.

Present by invitation were Executive Secretary Hunton, Legal Counsel Hassard, Public Relations Director Clancy, Mr. Ben H. Read, Doctors James Doyle and Peter Blong, representing the legislative committee; Doctors J. Martin Askey, Lewis T. Bullock and E. E. McNeil, representing the special committee on psychology, and Drs. Dorcus, Tollman, Swart, Perkins and Rankin, representing the psychologists.

#### 1. Blood Bank Commission:

On motion duly made and seconded, it was voted to request the Chairman of the Blood Bank Commission and others to be selected by him to meet with Red Cross officials in Washington on November 23 to discuss cooperation in operating blood banks in California.

On motion duly made and seconded, it was voted to appoint Doctors Owen F. Thomas of Santa Rosa and David Singman of Berkeley as members of the Blood Bank Commission.

#### 2. Disciplinary Hearing:

Mr. Hassard discussed a plan for holding an appeal hearing before the Council on November 15, 1952, in a disciplinary case arising in Alameda-Contra Costa County. On motion duly made and seconded, it was voted to appoint President-elect Green as a conciliation committee of one to attempt a conciliation prior to the appeals hearing. It was also voted that the appeal be heard from 10 a.m. to 12 noon on November 15, 1952, with one hour allotted to each side.

#### 3. State Bar of California—Adoption Procedures:

On motion duly made and seconded, it was voted to accept an invitation from the State Bar of California to appoint three physicians as members of a joint committee representing the State Bar, the C.M.A. and the State Department of Social Welfare to consider existing independent adoption procedures. Dr. Donald Tollefson of Los Angeles was named chairman of this group, with authority to



name two additional members. (Doctor Tollefson later named Doctors Bernard J. Hanley of Los Angeles and James V. Campbell of Oakland as the other members.)

#### 4. *Committee on Scientific Work:*

Doctor Daniels presented a proposed new schedule for the 1953 Annual Session, outlining meetings of the House of Delegates on the first and fourth days of the meeting, no C.M.A. scientific meetings conflicting with the meetings of the House of Delegates, and with an overall schedule of five days, rather than the four days heretofore used. On motion duly made and seconded, this proposed schedule was approved.

On motion duly made and seconded, Doctor M. George Henry of Los Angeles was named Chairman of the Committee on Local Arrangements and was authorized to select his own assistants.

#### 5. *Committee on Psychology:*

Doctors Bullock, Askey, McNeil, Blong and Doyle discussed the proposed legislation to provide for licensure of clinical psychologists and Doctors Dorcus, Tollman, Swart, Perkins and Rankin discussed this matter from the psychologists' point of view.

On motion duly made and seconded, it was voted to request the Committee on Public Policy and Legislation to work closely with Doctor Bullock's committee on this legislative proposal.

On motion duly made and seconded, it was voted to notify the psychologists that the Council had previously approved Doctor Bullock's report and had gone on record in favor of introducing suitable legislation. Also, that it has under study a working draft of a proposed legislative bill embodying the proposals of Doctor Bullock's committee and the psychologists.

On motion duly made and seconded, Doctor James Doyle was named acting sub-chairman of the Committee on Public Policy and Legislation and was authorized to proceed in contacting psychologists and Doctor Bullock's committee.

#### 6. *Special Committee on Psychiatry:*

A report from Doctor Cullen Ward Irish and associates on the Special Committee on Psychiatry was reviewed and ordered forwarded to the Legislative Auditor in Sacramento. On motion duly made and seconded, this report was accepted for transmittal and the thanks of the committee voted to Doctor Irish and his associates for an excellent report.

#### 7. *Association Office Quarters:*

Mr. Hunton reported that additional office space will soon be available adjoining the present office,

in a size sufficient to meet current and immediately foreseeable needs. This space will call for an increased rental of approximately \$2,500 annually and will cost an estimated \$4,000-\$5,000 to rebuild for office requirements. On motion duly made and seconded, the acquisition of this space and the expenditure of not more than \$5,000 for remodeling were approved, subject to approval by the Council of the financial needs involved.

#### 8. *State Department of Education:*

A request from the State Department of Education to appoint Doctor Alfred G. Allen of Sacramento as a representative on a committee to study the physical standards required for granting teachers' credentials was received. On motion duly made and seconded, it was voted to name Doctor Allen to this committee, subject to approval of this appointment by the Sacramento Society for Medical Improvement.

#### 9. CALIFORNIA MEDICINE:

Doctor Wilbur discussed proposals which have been advanced for CALIFORNIA MEDICINE to assume a larger role in participating in and reporting on economic and other factors affecting the practice of medicine. This would include additional reporting on committee activities and on existing situations bearing on medical practice. It was agreed that this matter should be discussed before the Council, especially since it might involve additional costs.

#### 10. *Legal Department:*

Mr. Hassard discussed the possibility of establishing judicial councils in the larger county societies, these councils to be divorced from the official bodies of the society and to serve as judicial bodies for the hearing of complaints and disciplinary actions.

Mr. Hassard also discussed the proposed establishment of emergency medical services in hospitals where public hospitals are not available. Such emergency service would involve a rotating panel of participating physicians, with the hospital agreeing to guarantee a minimum compensation, and to collect the physician's fee for him and to pay to him any excess collections over the minimum guarantee.

It was agreed to discuss both these items at the next Council meeting.

#### *Adjournment:*

There being no further business to come before it, the meeting was adjourned at 5:00 p.m.

DONALD D. LUM, M.D., *Chairman*

ALBERT C. DANIELS, M.D., *Secretary.*